GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

STARRED QUESTION NO:212
ANSWERED ON:29.07.2002
HIGH PREMIUM RATE OF INSURANCE
JAYABEN B. THAKKAR

Will the Minister of AGRICULTURE be pleased to state:

(a) whether at the time of introduction of Cotton Crop Insurance Scheme, thepremium rate was fixed at 3% which was subsequently increased to 5.4% and at present it is 9.8%;

(b) if so, the factors responsible therefor;

(c) whether there is any proposal to reduce the said rate;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

MINISTER OF AGRICULTURE (SHRI AJIT SINGH)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFFERED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.212 DUE FOR REPLY ON 29TH JULY, 2002.

(a)&(b): Yes, Sir. Actuarial rates of premium are applicable in case of annual commercial/horticultural crops including cotton. These rates vary from State to State and from season to season depending mainly upon the quantum of variability in the past yield data. For determining the premium rates, the yield data of the past ten years is taken into consideration.

(c): There is no such proposal at present.

(d): Does not arise.

(e): As actuarial rates of premium are worked out on the basis of Standard Methodology called Normal Distribution/Central limit Theorem by the Implementing Agency viz. General Insurance Corporation of India.Therefore any arbitrary increase or decrease in the premium rates for any crop would not be appropriate.